

**April 21, 2003**  
**FY 2004 BUDGET MARKUP PROCESS**

1. Approval of the *FY 2003 Third Quarter Review*..... 2
2. Approval of the FY 2004 Budget as Advertised with Revenue and Administrative  
Adjustments included in the FY 2004 Add-On Package, and Approval of the Board  
Mark-Up Package..... 3
  - Identification of Balances at Quarterly Reviews for Land Acquisition
  - Pursuit of Federal dollars for Child Care
3. Reaffirmation of Commitment to Budget Guidelines for Fiscal Year 2005..... 4
4. Approval of the FY 2004 – FY 2008 Capital Improvement Program (with future fiscal  
years to 2013)..... 7

## **BOARD MOTIONS**

### **FY 2003 THIRD QUARTER REVIEW**

- Board Approval of adjusting the Third Quarter Review to reflect inclusion of 1/1.0 SYE new grant position for the Department of Family Services for the Title IV-E Revenue Maximization Program in the Federal/State Grant fund and the State requirement that reimbursement for overtime and other associated costs incurred as a result of the Sniper incident be reflected as a grant from the State. As a result of the State requirement for reimbursement associated with the Sniper incident, FY 2003 General Fund Revenues and Expenditures are decreased by \$365,891. A board item will be included in the April 28<sup>th</sup> board package to request approval of receipt of the Sniper Reimbursement grant funds.
- Board Approval of Supplemental Appropriation Resolution AS03083 and Amendment to the Fiscal Planning Resolution AS03902 which includes the revenue, expenditure and transfer adjustments and grant awards and adjustments contained in the County and School's Third Quarter Review, Supplemental Appropriation Resolution AS02100 to reflect final FY 2002 audit adjustments and in accordance with Board policy, 40 percent of the available balance after administrative adjustments will be allocated to the Revenue Stabilization Fund which includes a transfer of \$1.15 million and the corresponding managed reserve adjustment, and half of the remaining balance after the allocation to the Revenue Stabilization fund is transferred to the Schools which includes a transfer of \$0.83 million and the corresponding managed reserve adjustment for a total impact of \$0.85 million. These actions result in an available balance of \$0.85 million.
- Board approval of adjusting the Managed Reserve to maintain the reserve at two percent of total disbursements based on the actions taken by the Board as part of the Third Quarter Review.

## **BOARD MOTIONS**

### **FY 2004 BUDGET**

- Board approval of the FY 2004 revenue and administrative adjustments as identified in the FY 2004 Advertised Budget Plan and the FY 2004 Add-On package. The resulting balance after these actions will be \$3,857,488.
- Board approval of the adjustments included in Attachment A: Board Mark-Up Package including elimination of the contribution to the Virginia Municipal League (VML) in the amount of \$93,356 and redirection of this funding to provide County support for a portion of the cost to restore funding for the School Education officers. The School board will cover the remaining cost of the program, which results in a balanced budget.
- The Board directs staff to review available balances identified as part of the *FY 2003 Carryover Review* to identify potential funding for land acquisition.
- The Board directs the Department of Family Services to continue to aggressively pursue federal dollars in support of child care. Any additional funding identified as a result should be reviewed for allocation to restore some or all of the \$2.0 million reduced in the Child Care Assistance and Referral (CCAR) program as part of the budget. Staff is to report back to the Board to resolve this issue as part of the *FY 2003 Carryover Review*.

## **BOARD MOTIONS BUDGET GUIDELINES FISCAL YEAR 2005**

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Monday April 21, 2003, the Board reaffirmed and approved Budget Guidelines for FY 2005:

1. The Board directs the County Executive to develop a budget for Fiscal Year 2005 that limits increases in expenditures to projected increases in revenue.
2. Information on the FY 2005 revenue and economic outlook should be forwarded to the Board for discussion in late 2003 so guidance to the County Executive regarding the tax rate as well as the transfer to the Schools can be provided by the Board.
3. The available balances materializing at the Carryover and Third Quarter Reviews which are not required to support County expenditures of a critical nature or to address the Board's policy on the Revenue Stabilization fund should be held in reserve to offset future requirements.
4. In order to avoid structural imbalances between County resources and requirements, resources should be allocated with consideration for the continued availability of these funds:
  - Non-recurring funds will be directed toward non-recurring uses.
  - Only recurring resources may be targeted toward recurring expenses.
5. The County's policy concerning the utilization of recurring and non-recurring funds should be followed by the School Board.
6. The Board directs the following reviews of County programs:

### **OFFICE OF PARTNERSHIPS**

Staff is directed to review the County's Office of Partnerships to explore options to provide these services under a foundation rather than through a County agency. The review and recommendations should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

### **PUBLIC SAFETY SALARIES**

County staff is directed to undertake a comprehensive review of public safety salaries. In addition to comparing Fairfax County compensation with surrounding jurisdictions, we should explore the issue of Holiday Pay. The review and recommendations should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

## **MR GRADS**

Acknowledging the work that has been done by the Human Services Council and the Community Services board regarding the study of the Mental Retardation graduate program, County staff is directed to undertake a review of these and other recommendations regarding the current and future cost of the program and options for enhancing the sliding fee scale to reduce the County's share of these costs. In addition, information should be provided to the Board regarding the impact of the growth of the MR graduate program on Mental Health and Alcohol & Drug Services rehabilitation programs. Proposed adjustments should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

## **INCLUSION OF CERTIFICATION/OTHER SUPPLEMENTAL PAY IN RETIREMENT CALCULATION**

Staff is directed to undertake a review of the different types of certification and other supplemental pay that are not included in the regular salary base against which retirement contributions and benefits are calculated. This review should include certification pay, retention pay, recruiting bonuses and other items not included in the regular salary base. The review, fiscal impact and recommendations should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

## **ATHLETIC FIELD MAINTENANCE**

County staff is directed to work with the Athletic Council and other community groups to undertake a review of the Athletic Field Maintenance program including appropriate fees and the current Adopt-a-Field program, to determine a reasonable approach to implementing uniform field improvements and continuing maintenance. The review and recommendations should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

## **PAY FOR PERFORMANCE**

Recognizing that in FY 2005 we will be entering the fifth year of the pay for performance program and that pay for performance systems typically have a four to five year "shelf-life" before changes are needed to address problems/conflicts, offset rating creep and reinvigorate the system. County staff in consultation with the Employees' Advisory Council, is directed to undertake a review of the program. The review and recommendation should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan to allow for implementation of any significant reworking of the system in FY 2005.

## **HEALTH BENEFITS SUBSIDY**

The County Executive is directed to work with public safety and general county employees on further enhancements to the health benefits subsidy for retirees. In addition, the Board directs the County Executive to look at the County's retirement program with advice and recommendations from the Retirement Boards of Trustees and encourages the School Board to conduct the same review of its retirement programs. The review and recommendation should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

## **BUDGET PROCESS REDESIGN**

County staff is directed to undertake a redesign of the County budget process consistent with the efforts already initiated by the County Executive to undertake a strategic planning process and linkage of strategic planning goals to the annual budget. The redesign should more clearly communicate funding decisions based on County priorities, track and communicate program performance as well as create measures to identify County-wide successes across departments and agencies. The first phases of this redesign should be included in the FY 2005 Advertised Budget Plan.

## **COMPETITIVE SOURCING**

Include the previously approved guidelines for review of Competitive Sources, approved by the Board of Supervisors on March 10, 2003, in the FY 2005 Budget Guidelines. The review and recommendations should be provided to the Board of Supervisors to be considered as part of the FY 2005 Advertised Budget Plan.

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Nancy Vehrs,  
Clerk to the Board of Supervisors

## **BOARD MOTIONS**

### **FY 2004 – FY 2008 CAPITAL IMPROVEMENT PROGRAM (with future fiscal years to 2013)**

#### **RECOMMENDED ACTIONS**

Board approval of the FY 2004 – FY 2008 Capital Improvement Program (with future fiscal years to 2013) with the following amendments:

- Revise the language in the Criteria for Recommending Capital Projects to include staff recommendations and Board member adjustments as outlined in Attachment I.
- Direct the County Executive and County staff to continue to work with School staff to ensure that the Woodson High School renovation project proceeds in accordance with Board direction when we adopted the FY 2003 CIP, with planning underway during 2003.
- Direct County staff to work with WMATA staff and participating jurisdictions to find reasonable options to fully fund the County's share of the WMATA System Access Program within the context of the County's debt capacity.
- Make all necessary adjustments to reflect actions taken during the Board's decision on the FY 2004 Adopted Budget Plan that impact the CIP.

## Criteria for Recommending Capital Projects

The following criteria shall be applied to future capital projects in order to establish a relative priority for beginning and completing projects. These criteria are intended to guide decision making and may be adjusted as necessary.

All capital projects must support the goals established by the Board of Supervisors and the Comprehensive Plan for Fairfax County as adopted by the Board on October 24, 1988 and revised through 2000 and conform to specified standards mentioned in the Plan. Other County or best practice standards may be cited so long as they are not in conflict with the Comprehensive Plan or Board directives.

All capital projects will be categorized based on priority and recommended for appropriate funding sources (i.e., general funds, bonds, special revenue funds, other funds) according to their criticality or other standards as recommended by the staff, School Board, Planning Commission or other advisory body.

All new projects recommended to be included in the five-year Capital Improvement Program will be categorized by priority using the criteria listed below. Actual project commencement and completion are subject to identification of resources and annual appropriation by the Board of Supervisors.

1

**Immediate:** *Projects are in progress or expected to be started within a year.*

Examples of such projects may exhibit the following criteria:

- Eliminate an immediate threat to personal and public safety.
- Alleviate immediate threats to property or the environment.
- Respond to a court order or comply with approved Federal or State legislation.

2

**Near Term:** *Projects are expected to start within the next 2–3 years.*

Examples of such projects may exhibit the following criteria:

- Have significant Federal/State commitment or **significant private sector investment.**
- Preserve existing resources or realize significant return on investment.
- Preserve previous capital investment or restore capital facilities to adequate operating condition.
- Respond to Federal or State mandates in compliance with extended implementation schedules.
- Generate significant revenue, are self supporting or generate cost avoidance (return on investment and/or improved efficiency).
- Alleviate existing overcrowded conditions that directly contribute to the deterioration of quality public services.
- **Generate private reinvestment and revitalization.**



- Have significant public expectations as demonstrated by development proffers or other Board action.

3

**Long Term:** *Projects are expected to begin within the next 4–5 years.*

Examples of such projects may exhibit the following criteria:

- Accommodate projected increases in demand for public services and facilities.
- Maintain support for public services identified by citizens or appointed Boards and Commissions as a priority in furtherance of the goals and objectives established by the Comprehensive Plan.
- Meet new program goals or respond to new technology.
- Fulfill long term plans to preserve capital investments.

4

**Future Projects:** *Projects that are anticipated, but not scheduled within the five-year planning period.*